

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 3104 - SB 3302

March 1, 2010

SUMMARY OF BILL: Requires the Department of Labor and Workforce Development (DOL) to accept electronic signatures on IRS form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit, or any successor to that form.

ESTIMATED FISCAL IMPACT:

On February 3, 2010, we issued a fiscal note for this bill indicating a *MINIMAL* fiscal impact. On February 26, we received additional information from DOL. Based on this new information, the fiscal impact for this bill is estimated as follows.

(CORRECTED)

Increase Federal Expenditures – Up to \$31,900/One-Time

Decrease Federal Expenditures – \$125,000/Recurring FY11-12 and Subsequent Years

Other Fiscal Impact – In FY10-11 \$125,000 in federal funds will be reallocated from recurring personnel expenditures to one-time computer programming expenditures.

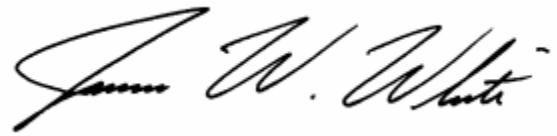
Assumptions:

- According to DOL, one-time information technology costs associated with creating a Work Opportunity Tax Credit application will be \$125,000.
- Seven part-time workers would be laid off as a result of diverting \$125,000 from the current manual process to the information technology costs. Each employee works approximately 1500 hours per year making \$12.00 per hour. [$\$125,000 / (1500 \text{ hours} \times \$12.00) = 7 \text{ employees}$].

- These seven employees would be eligible for unemployment benefits for 26 weeks at a rate of \$175 per week. A total increase in one-time expenditures of up to \$31,900 (7 x \$175 x 26). According to DOL these costs are likely to be borne by federal Employment Security administrative funds.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/jaw